

FREDERICK H. HOOVER, JR.
CHAIR

MICHAEL T. RICHARD
KUMAR P. BARVE
BONNIE A. SUCHMAN



PUBLIC SERVICE COMMISSION

Chair Pamela Beidle
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 747 – Transportation Network Companies – Deactivation of Operators – Policy and Appeal Procedure

Dear Chair Beidle and Committee Members:

The Public Service Commission (the Commission) appreciates the opportunity to provide this informational testimony for SB 747. The Commission has regulatory authority over transportation companies operating for-hire within the State of Maryland, which includes Transportation Network Companies (“TNCs”). Under this authority, the Commission, in general, issues permits and licenses to companies and vehicles upon receiving documented evidence of adherence to certain criteria and requires the filing of certain reports on an annual basis by the regulated entities. In addition to other types of for-hire driver’s licenses, the Commission issues licenses for individuals operating for-hire under a Transportation Network Company permit, and these drivers are identified as Transportation Network Operators (“TNOs”).

In SB 747, Section 10–101 seeks to amend the current definitions of both Transportation Network Companies and Transportation Network Operators. It is possible that the change in definition could cause additional transportation companies to be classified as TNCs and their drivers as TNOs. This could result in an increase in the number of drivers required to apply for licensure to operate in Maryland. Those numbers are unknown at this time.

SB 747 would require the Commission to adopt regulations in response to the bill’s implementation and require the Commission to adopt model notices and descriptions of the deactivation appeal process related to TNOs. The additional requirements posed by this legislation, if passed, may therefore require revisions to the current sections of COMAR pertaining to TNCs.

Section 10-409(J)(3) of the legislation provides a process for a TNO to appeal a decision by a TNC that deactivates or restricts the TNO from the company’s digital network for a period of at least 48 hours. This appeal process also allows the TNO to file a complaint with the Commission or to bring a civil action against the TNC. This new appeals process would create a substantial increase in the number of complaints received by the Commission, requiring more in-depth investigations. Currently, the Commission does not regulate how TNCs handle driver deactivations, except in cases when there are violations of the vehicle requirements and driver screening standards outlined in COMAR. Beyond violations requiring deactivation due to failure to comply with COMAR, the Commission does not have authority to dictate TNC policies regarding the deactivation of its operators. TNCs are required

to report to the Commission the number of deactivations, however, the information provided does not include any driver information, but only the numbers of drivers deactivated in a calendar year.

There are few instances where the Commission investigates or is involved in the management of labor for public service companies. These issues are primarily left up to the Maryland Department of Labor. SB 747 would significantly change the role of the Commission with regards to labor practices of public service companies. There are currently over 100,000 TNOs operating in Maryland. In 2024, one TNC reported over 2700 deactivations to the Commission which has the potential to create 2700 investigations and Commission proceedings relating to those investigations.

The Public Service Commission appreciates the opportunity to provide this informational testimony for your consideration for bill SB 747. Please contact Christina Ochoa, Director of Legislative Affairs at christina.ochoa1@maryland.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Frederick H. Hoover". The signature is fluid and cursive, with the first name "Frederick" being the most prominent.

Frederick H. Hoover, Chair
Maryland Public Service Commission